



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0763	Title:	Revise laws on mining byproduct disposal
Primary Sponsor:	Ankney, Duane	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$190,946	\$146,396	\$150,056	\$153,808
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>(\$190,946)</u>	<u>(\$146,396)</u>	<u>(\$150,056)</u>	<u>(\$153,808)</u>

Description of Fiscal Impact:

This bill revokes a current moratorium on uranium mining in Montana. The Department of Public Health and Human Services (DPHHS) would require 2.00 FTE to act as the new radiation control agent of uranium mining and consequent disposal of mine tailings.

FISCAL ANALYSIS

Assumptions:

Department of Public Health and Human Services (DPHHS)

- Under 50-79-103(2), MCA, DPHHS is responsible for the oversight of the disposal of radioactive by-product material.
- DPHHS will need one Environmental Program Manager with radiation science background and one Program Manager for uranium mine tailing permitting, inspection, and monitoring. The estimated costs are \$132,012 in FY 2008 and FY 2009 for personal services and \$19,934 in FY 2008 and \$14,384 in FY 2009 for operating expenses.
- Legal cost for drafting of appropriate rules related to disposal of byproduct material is estimated at \$39,000 (\$65 per hour x 600 hours).
- A 2.5% inflation factor has been applied to FY 2010 and FY 2011.

Department of Environmental Quality (DEQ)

5. Large amounts of waste from the extraction and beneficiation of ores is exempt from regulation as hazardous waste (40 CFR 261.4(b) (7)) and waste management units will not be subject to waste permitting requirements. Radioactive wastes from the extraction and concentration of uranium and thorium ores are subject to regulation by the Nuclear Regulatory Commission.
6. The exemption for in situ mining (40 CFR 261.4(a) (5)) may also apply. Relatively small amounts of waste from further in the mineral processing train may be subject to regulation if they exhibit hazardous waste regulatory characteristics of corrosivity, ignitability, reactivity, or toxicity. As such, the workload associated with reporting and review of documents could be absorbed with existing resources.
7. State regulation of in situ solution mining of uranium is preempted by federal regulation unless the state enters into a delegation agreement with the Nuclear Regulatory Commission. If the state enters into a delegation agreement and a mine application is received there may be a fiscal impact, but that impact is not quantifiable at this time.
8. There are no known commercial deposits of uranium and thorium in Montana that are commercially mineable using traditional surface or underground mining methods.
9. Based on the assumption that the exemptions noted above apply, there will be no quantifiable fiscal impact to the DEQ.

	<u>FY 2008</u> <u>Difference</u>	<u>FY 2009</u> <u>Difference</u>	<u>FY 2010</u> <u>Difference</u>	<u>FY 2011</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	2.00	2.00	2.00	2.00
<u>Expenditures:</u>				
Personal Services	\$132,012	\$132,012	\$135,312	\$138,695
Operating Expenses	\$58,934	\$14,384	\$14,744	\$15,113
TOTAL Expenditures	\$190,946	\$146,396	\$150,056	\$153,808
<u>Funding of Expenditures:</u>				
General Fund (01)	\$190,946	\$146,396	\$150,056	\$153,808
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$190,946)	(\$146,396)	(\$150,056)	(\$153,808)

Technical Notes:

1. Since the responsibilities and costs for this type of program would likely be duplicative of responsibilities and costs borne by DEQ, and because the subject matter expertise would be more reasonably developed and maintained by DEQ, it would be reasonable to amend Title 50, Chapter 79 to make DEQ the radiation control agent for the state of Montana.

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date